

Amendment No. 1 to HB2748

**Rhinehart
Signature of Sponsor**

FILED

Date _____

Time _____

Clerk _____

Comm. Amdt. _____

AMEND Senate Bill No. 2732*

House Bill No. 2748

by deleting SECTIONS 1 through 3 of the printed bill in their entireties and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 8-36-124, is amended by adding the following new subsection at the end thereof:

(c) (1) The general assembly is hereby authorized to appropriate funds for the following purposes:

(A) To increase the amount of any base benefit improvement adopted pursuant to subdivision (a)(3)(A) of this section to ten percent (10%). Any such increase shall be effective July 1, 2000, and shall apply to both active and retired members in the groups and systems referenced in subdivision (a)(3) above, except as otherwise provided in subdivision (c)(2) below; and

(B) To provide the increase in retirement allowances provided for in SECTION 2 of this act.

(C) Notwithstanding any provision of this subsection or SECTION 2 of this act, if the appropriations, if any, are insufficient to fund at least one-fifth (1/5) of the liability for providing the increases in both subdivisions (A) and (B) above, then no increase shall be granted under this subsection or in SECTION 2 of this act. If the appropriations are sufficient to fund at least one-fifth (1/5) of such liability but are insufficient to fund one hundred percent (100%) of the additional liability, then the increase provided for in subdivision (c)(1)(A) of this subsection shall be

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reduced proportionately to the nearest one-half percent ($\frac{1}{2}\%$) and the benefits authorized by SECTION 2 of this act shall be reduced proportionate to the reduction of the benefit provided in subdivision (c)(1)(A) so that no increase shall be given beyond the appropriations available.

(2) This subsection shall not apply to employees of employers participating in the retirement system pursuant to chapter 35, part 2 of this title, unless the governing body of any such employer, after receipt of the liability information from the retirement system, passes a resolution authorizing the increase and accepting the liability thereof. The percentage increase in retirement allowances resulting from the passage of such a resolution shall be the same as that established for state employees and teachers pursuant to subdivision (c)(1)(C) of this section.

SECTION 2. Tennessee Code Annotated, Title 8, Chapter 36, Part 7, is amended by adding the following as a new, appropriately designated section:

8-36-7. (a) Subject to § 8-36-124(c), the retirement allowance of any retired Group 1 member, each retired teacher, wildlife officer, state police officer, firefighter, police officer and general employee shall be increased effective July 1, 2000 in accordance with the following schedule. Such increase shall be in addition to any other increase in retirement benefits provided by this part.

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| <u>Date of Retirement</u> | <u>Percentage Increase</u> |
|---------------------------|----------------------------|
| prior to 7/2/75 | 10.0% |
| 7/2/75 - 7/1/77 | 7.5% |
| 7/2/77 - 7/1/79 | 6.0% |
| 7/2/79 - 7/1/81 | 3.0% |
| 7/2/81 - 7/1/83 | 1.2% |
| 7/2/83 - 7/1/85 | 0.9% |
| 7/2/85 - 7/1/87 | 0.5% |
| 7/2/87 - 7/1/89 | 0.3% |

The increase provided by this section shall not be paid retroactively, but shall become effective on July 1, 2000.

(b) As used in this section, "teacher" and "general employee" mean any retired teacher and any retired general employee, as defined in § 8-34-101(18) or (46), and any former teacher or state employee receiving benefits under chapter 39, part 1 of this title.

(c) The provisions of § § 8-36-102 and 8-36-208(a) shall not be construed to prevent any increase in the retirement allowance of a retiree when such increase is in accordance with this section.

(d) Notwithstanding any provision of the law to the contrary, this section shall not apply to individuals who are members of the retirement system by virtue of their employment with any employer participating in the retirement system pursuant to chapter 35 of this title unless the governing body of any such employer passes a resolution to accept the associated liability and costs to provide such benefits. The percentage increase in retirement allowances resulting from the

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passage of such a resolution shall be the same as that established for state employees and teachers pursuant to § 8-36-124 (c)(1)(C). This increase in benefits will become effective following the adoption of the resolution. No retroactive benefits are to be paid under the provisions of this subsection.

SECTION 3. The provisions of this act shall be subject to the funding being provided in the general appropriations act.

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.